Sale of Coal from Captive Mines to nearest PSUs

4498. SHRIMATI N.P. DURGA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have approved the sale of coal from captive mines to the nearest Public Sector Undertakings;

(b) whether it is also a fact that Coal Mines (Nationalization) Act does not allow sale of captive mining by private companies; and

(c) if so, in what manner Government propose to sell coal from captive mines?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) It has been decided that coal produced from a captive mine during the development period of the mine may be transferred to the subsidiary coal company of Coal India Limited operating in the area at a price to be determined by a Committee under the Chairmanship of the Additional Secretary (Coal).

(b) The Coal Mines (Nationalization) Act, 1973 is not a statute governing trade in coal. It determines the eligibility of a company to do mining of coal. The Act allows *inter-alia,* mining of coal by an Indian company for specified end uses only.

(c) During the development phase of a captive mine, by when the end use plant may not be installed, the Government has allowed transfer of coal extracted from the captive mine to the local nationalized coal company. This arrangement became necessary in order to avoid the hazards of storing coal for long period which leads to auto combustion and the adverse impact on the economy. In order to ensure that such transfer does not turn into a trade by a private company, the Committee under the Chairmanship of the Additional Secretary (Coal) has been constituted to determine the price at which coal will be transferred from captive mining to a Coal India subsidiary.

Free Trading of Coal

4499. SHRI GIREESH KUMAR SANGHI.
DR. T. SUBBARAMI REDDY:

Will the PRIME MINISTER be pleased to state:

(a) whether Government are seriously considering to allow free trading in coal and as a first step State-owned Coal India may be asked

to set aside about 32.5 million tones of coal for open sale to traders and actual users;

(b) if so, whether Government would allow only after taking out this coal from the essential commodities list;

(c) if so, whether the proposal which was mooted by Planning Commission has been approved by Government; and

(d) if so, by what time final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) and (b) Colliery Control Order, 2000 places no restriction on trading of coal by private parties. Government has decided to sell 10 million tones of coal through electronic auction on Interest for the year 2005-06 on trial basis. In the quantity earmarked for e-auction, non-core consumers and non linked consumers, as also the traders can participate and bid for the quantity as per requirement from the preferred sources.

(c) and (d) The proposal of Planning Commission has been approved to the extent as given in reply to (a) above. The trial e-auction sale of coal has already started in some of the subsidiaries of Coal India Limited and from May, 2005 it is expected that all coal subsidiaries will have the trial e-auctions after completing the necessary formalities.

Import of Coal for Thermal Power Stations

4500. SHRI DATTA MEGHE: Will the PRIME MINISTER be pleased to state:

(a) whether being unable to supply adequate quantity of coal to the power sector in the country, State Electricity Boards have